

## **LISTING OF ASSETS AND LIABILITIES BEING TRANSFERRED FROM ILLINOIS POWER COMPANY TO ILLINOVA CORPORATION**

Illinois Power Company ("Illinois Power" or "IP") is transferring to Illinova Corporation the assets and related liabilities listed below.

1. All real and personal property owned by IP (including plant in service, plant held for future use, completed construction not classified and construction work in progress) at the sites commonly known as Baldwin Power Station, Havana Power Station, Hennepin Power Station, Vermilion Power Station, Wood River Power Station, Oglesby Gas Turbine, Stallings Gas Turbine, and Tilton Energy Center (currently under construction). The costs of these assets and those listed in paragraphs 2, 3 and 4 below are recorded in Accounts 101, 105, 106, 107, 116 and 186 (Tilton construction expenditures) of the Uniform System of Accounts and the related accumulated provisions for depreciation and amortization are recorded in Accounts 108 and 111.
2. All real and personal property owned by IP at the Tilton combustion turbine site as well as all leasehold interests and contract rights in connection with the Tilton site and the four combustion turbine units being installed at that site (except for transmission and gas supply assets remaining with IP). However, if IP completes a proposed off-balance sheet financing (sale/leaseback) for these assets prior to the date of transfer of assets to Illinova, then IP expects to transfer to WESCO all of IP's rights under the lease for the assets between IP and the unaffiliated special purpose entity which will be formed for purposes of owning these assets in connection with the sale/leaseback arrangements. This treatment would also apply to certain assets necessary to burn Powder River Basin coal at the Baldwin and Hennepin Stations and assets related to Selective Catalytic Reduction equipment at the Baldwin Station which would also be covered by the sale/leaseback transaction. These assets, for which IP has incurred expenditures, are provided in Schedule 11, and have been recorded in Accounts 106, 107, and 186, and have been identified in the Account 106 and 107 detail (Schedules 5 and 6) with an "SPE" code.
3. General plant items located at the sites listed in paragraph 1 and certain other general plant assets associated with IP's fossil generation operations, as more fully set forth in Schedule 7.
4. Intangible plant items located at the sites listed in paragraph 1 and certain other intangible plant assets associated with IP's fossil generation operations, as more fully set forth in Schedule 8.

5. Certain other investments associated with IP's fossil generation operations, recorded in Account 124, consisting of land purchased for use of clay for a future ash pond.
6. Cash recorded in Account 131, consisting of the net amount of current receivables and payables transferred to Illinova (paragraphs 8 and 16 below) that are associated with the power plants listed in paragraph 1 and fuel stock per Schedule 9.
7. Working funds recorded in Account 135, consisting of petty cash funds maintained at the power plants listed in paragraph 1.
8. Accounts receivable recorded in Account 143, consisting of BTU penalties due from fuel suppliers (relating to Fuel Stock being transferred to Illinova, (see paragraph 9 below), payments due from insurance companies in settlement of the 1996 fire at Wood River Power Station, and payments due as a result of energy swap transactions.
9. Fuel stock at the power stations listed in paragraph 1, recorded in Account 151, as detailed by power station in Schedule 9.
10. Plant materials and operating supplies located at the power stations listed in paragraph 1, recorded in Account 154, as detailed in Schedule 10.
11. Sulfur dioxide emission allowance inventory, recorded in Account 158.1.
12. An allocated portion of undistributed stores expense recorded in Account 163, associated with the plant materials and operating supplies being transferred to Illinova (paragraph 10 above).
13. Prepayments for unamortized insurance premiums, relating to the assets being transferred, recorded in Account 165.
14. Miscellaneous deferred debits recorded in Account 186, consisting of prepayments to a coal supplier in respect of a coal supply contract which will be assigned to Illinova, fossil plant expenditures pending assignment of accounting distribution, fossil construction payments relating to the combustion turbines discussed in paragraph 2, "in the money" value of energy trade contracts, and a premium to be received on emission allowance put options sold.
15. Accumulated deferred income taxes recorded in Account 190, for the FAS 109 effects of the Investment Tax Credits being transferred to Illinova.

16. Accounts payable recorded in Account 232, consisting principally of payments due to fuel suppliers and fuel transportation providers for fuel that has been delivered to the power stations listed in paragraph 1 and a buyout of a coal contract to enable plants to switch to low sulphur coal.
17. Real estate taxes accrued recorded in Account 236 with respect to the real estate being transferred at the power stations listed in paragraph 1.
18. Miscellaneous current and accrued liabilities recorded in Account 242 consisting of accrual for vacation pay due to IP employees who will become employees of WESCO.
19. Other deferred credits recorded in Account 253, consisting of a liability for energy owed in a power commodity swap and allowances owed in emission allowance swaps, and "out of the money" value of energy trade and emission allowance trade contracts.
20. Unamortized Investment Tax Credits recorded in Account 255, related to the plant assets being transferred to Illinova.

The following schedules provide more detailed listings of the assets identified above:

**Schedule 1** lists the asset and liability amounts being transferred to Illinova by ICC Account. The values shown in this and all other schedules are the amounts recorded on IP's books at December 31, 1998.

**Schedule 2** lists the amounts being transferred to Illinova recorded in Accounts 101, 105, 106, 107, 108 and 111 by power station (paragraph 1 above) and in the General Plant (paragraph 3 above) and Intangible Plant (paragraph 4 above) categories, as well as the Utility Plant Adjustment (Account 116) amounts being transferred.

**Schedule 3** provides the legal descriptions of the real estate being transferred to Illinova at the power station sites listed in paragraph 1 above.

**Schedule 4** provides detailed listings of the property, plant and equipment recorded in Account 101 (Utility Plant in Service) being transferred to Illinova at the power stations listed in paragraph 1 above. Also included are Accounts 101 and 108 adjustments due to FAS 109.

**Schedule 5** provides detailed listings of the property, plant and equipment recorded in Account 106 (Completed Construction Not Classified) being transferred to Illinova at the power stations listed in paragraph 1 above.

**Schedule 6** provides detailed listings of the property, plant and equipment recorded in Account 107 (Construction Work in Progress) being transferred to Illinova at the power stations listed in paragraph 1 above.

**Schedule 7** provides a summary listing of the General Plant items being transferred to Illinova (paragraph 3 above), followed by a detailed listing of the General Plant items from Illinois Power's continuing property records.

**Schedule 8** provides a listing of the Intangible Plant items being transferred to Illinova (paragraph 4 above).

**Schedule 9** consists of a listing of the fuel stock amounts being transferred to Illinova (paragraph 9 above), by power station and by fuel type.

**Schedule 10** consists of a listing of the plant materials and operating supply amounts being transferred to Illinova (paragraph 10 above), by power station.

**Schedule 11** consists of a listing of amounts being transferred to Illinova (paragraph 2 above) by project associated with the Tilton combustion turbines and associated facilities, Power River Basin coal facilities and Selective Catalytic Reduction equipment.